

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 1, 2008
POSITION: Neutral, note concerns
SPONSOR: Los Angeles Department of Water and Power

BILL NUMBER: AB 2988
AUTHOR: M. Feuer

BILL SUMMARY: Environmental Quality: Power Exemption

This bill would exempt renewable energy power contracts from the California Environmental Quality Act (CEQA).

FISCAL SUMMARY

The bill creates a state-mandated local program because a local agency approving a contract for electric power from a renewable energy source would have to make a determination that the project is exempt from compliance with CEQA and provide a notice of exemption, thus increasing the level of services provided by the local agency. However, the bill notes that local agencies have the authority to charge fees to pay for the increased costs associated with this bill and therefore, the mandate would not be reimbursable by the state.

SUMMARY OF CHANGES

An amendment to this bill since our analysis of the May 8, 2008 version changes our position. By expressly stating that the bill does not imply approval of other contracts which may or may not be projects subject to CEQA, the bill has addressed our previous concern regarding the potential creation of a reimbursable state mandate.

COMMENTS

Finance is neutral on this bill because there would be no fiscal impact to the state. However, we note that it is unclear that local agency approval of contracts to purchase electric power is currently subject to CEQA. Therefore, Finance believes the administrative remedy of requesting clarification in the CEQA guidelines should be pursued before requiring a statutory change.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011	Code
0540/Secty Res	SO	No		-----	See Fiscal Summary	-----			0001

Analyst/Principal (0631) M. Almy	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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